

# Bloomberg MSCI December 20XX Maturity EUR Corporate ESG Screened Indices

The Bloomberg MSCI December 20XX Maturity EUR Corporate Bond ESG screened Indices measure the investment grade, Euro-denominated, corporate bond market with additional ESG screening. Each index in this suite is a maturity-constrained subset of the Bloomberg Euro Corporate Index. Issuer exposure is constrained to 3% of each index, and excess market value is redistributed on a pro rata basis. For each index, starting on Dec 31st of the penultimate year of target maturity year, the index becomes a static portfolio and all cash flows received from principal payments are equally distributed to a series of Euro treasuries as explained further in the document.

The overall Bloomberg fixed income index methodology is available [here](#).

## Rules for Inclusion

<b>Eligible Currencies</b>	Principal and interest must be denominated in EUR.
<b>Sector</b>	Corporate (industrial, utility and financial institutions) issuers only. Treasuries are included in the final year of the target maturity for cash management.
<b>Quality</b>	Securities must be rated investment grade (Baa3/BBB-/BBB- or higher) using the middle rating of Moody's, S&P and Fitch; when a rating from only two agencies is available, the lower is used; when only one agency rates a bond, that rating is used. In cases where explicit bond level ratings may not be available, other sources may be used to classify securities by credit quality: <ul style="list-style-type: none"> <li>• Expected ratings at issuance may be used to ensure timely index inclusion or to properly classify split-rated issuers.</li> <li>• Unrated securities may use an issuer rating for index classification purposes if available. Unrated subordinated securities are included if a subordinated issuer rating is available.</li> </ul>
<b>Amount Outstanding</b>	EUR300mn minimum par amount outstanding.
<b>Coupon</b>	<ul style="list-style-type: none"> <li>• Fixed-rate coupon.</li> <li>• Fixed-to-floating rate bonds are excluded.</li> <li>• Bonds with a step-up coupon and those that changes according to a predetermined schedule are eligible.</li> </ul>

<b>Maturity</b>	<p>To be eligible for a given December Maturity Corporate Index, securities must mature on or between January 1 and December 15 of the corresponding year. For example, the December 2026 Maturity EUR Corporate ESG screened Index contains securities that mature on or between January 1, 2026, and December 15, 2026.</p> <p>For callable bonds, include only if next call date and maturity date are in the final 12 months (calendar year) of the Index. For Make whole bonds, next call date need not be in the final 12 months (calendar year) of the index.</p>	
<b>Taxability</b>	<ul style="list-style-type: none"> <li>● Only fully taxable issues are eligible.</li> </ul>	
<b>Market of Issue</b>	<ul style="list-style-type: none"> <li>● Publicly issued in the global and regional markets.</li> </ul>	
<b>Seniority of Debt</b>	<p>Senior and subordinated issues are included.</p>	
<b>Security Types</b>	Included	Excluded
	<ul style="list-style-type: none"> <li>● Original issue zero coupon and underwritten MTN</li> </ul>	<ul style="list-style-type: none"> <li>● Contingent capital securities, including traditional CoCos and contingent write-down securities</li> <li>● Bonds with equity type features (eg, warrants, convertibles, preferreds, DRD/QDI-eligible issues)</li> <li>● Inflation-linked bonds, floating-rate issues</li> <li>● Private placements, retail bonds</li> <li>● Structured notes, pass-through certificates</li> <li>● Illiquid securities with no available pricing</li> <li>● Amortizing/Sinkable/Perpetual bonds</li> <li>● Fixed-to-float securities</li> </ul>

## Environment, Social and Governance (ESG) Rules

**Business Involvement Screens** Index excludes issuers involved in the following business lines/activities

- Tobacco Producer
- Nuclear Weapons
- Civilian Firearms Producer
- Controversial Weapons
  - Cluster Munitions
  - Landmines
  - Depleted Uranium
  - Biological/Chemical
  - Blinding Lasers
  - Non-Detectable Fragments
  - Incendiary

The index additionally excludes issuers that derive greater than or equal to a certain percentage of revenue from business activities related to:

- Weapons systems/components/support systems/services  $\geq 10\%$
- Weapons conventional  $\geq 5\%$
- Civilian Firearms  $> 5\%$
- Tobacco  $> 5\%$
- Thermal Coal Mining  $> 5\%$
- Generation of Thermal Coal Power  $> 5\%$
- Oil sands  $> 5\%$

**MSCI ESG Controversies** ● The index excludes any issuer with a “Red” MSCI ESG Controversies score (equal to 0) or corporates that are not covered by MSCI’s ESG controversy research. MSCI ESG Controversies measure an Issuer’s involvement in major ESG controversies and how well they adhere to international norms and principles (see page 11 of [ESG Methodology](#)).

**UNGC Compliance** ● The index excludes issuers that are not in compliance with the United Nations Global Compact Principles.

**UN Sanctions** ● The index excludes sovereign issuers sanctioned by the United Nations Security Council (UNSC). This applies only in the final year of the target maturity, where treasuries are used for cash management.

## Rebalancing Rules

### Issuer Capping Methodology

Issuers that exceed 3% of the market value of an uncapped December Maturity Corporate index are limited at 3%. The excess market value over the 3% cap is redistributed on a pro rata basis to all other issuers' bonds in the index that are under the 3% cap. The process is repeated until no issuer exceeds the 3% limit. For example, an issuer that represents 4% of the uncapped December 2026 Maturity Corporate Index will have 1% of the index's market value redistributed to each bond from all issuers under the 3% cap on a pro rata basis. The 3% issuer cap is applied each month as the indices are rebalanced.

### Frequency

For each index, Bloomberg maintains two universes of securities: the Returns (Backward) and the Projected (Forward) Universes. The composition of the Returns Universe is rebalanced at each month-end and represents the fixed set of bonds on which index returns are calculated for the next month. The Projected Universe is a forward-looking projection that changes daily to reflect issues dropping out of and entering the index but is not used for return calculations. On the last business day of the month (the rebalancing date), the composition of the latest Projected Universe becomes the Returns Universe for the following month.

### Index Changes

During the month, indicative changes to securities (credit rating change, sector reclassification, amount outstanding changes, corporate actions, and ticker changes) are reflected daily in the Projected and Returns Universe of the index. These changes may cause bonds to enter or fall out of the Projected Universe of the index on a daily basis but will affect the composition of the Returns Universe at month-end only, when the index is next rebalanced.

### Reinvestment of Cash Flows

Intra-month cash flows from interest and principal payments contribute to monthly index returns but are not reinvested at a short-term reinvestment rate between rebalance dates. At each rebalancing prior to an index's target maturity window, cash is effectively reinvested into the Returns Universe for the following month so that index results over two or more months reflect monthly compounding. Each index's universe will become static on Dec 31st of penultimate target maturity year. No ESG/Credit rating upgrades are considered for inclusion in the final year, but downgrades are processed and are treated like maturing bonds.

In the final year, principal amount received from matured/downgraded bonds is invested in the government debt securities (government bonds and T-bills) issued by Germany and France. Only government securities with amount outstanding greater than or equal to 5bn EUR are eligible for selection. A maximum of 20% of the index can be invested in any single government security. Cash is first reinvested in equal amounts across the German and French government securities that mature closest to (either on or after) December 15th 20xx. Once 10% is invested in each government security, further cash is invested in equal amounts across the next German and French government securities that mature after December 15th 20xx. Once 10% is invested in the third and fourth government securities (40% in total across 4 government securities), further cash is invested in equal amounts across the existing 4 government securities and the next German and French government bonds that mature after December 15th 20xx until 100% of the fund is invested in a minimum of 6 government debt securities (3 German, 3 French), each capped at 20%.

### New Issues

Qualifying securities issued, but not necessarily settled on or before the month-end rebalancing date, qualify for inclusion in the following month's index if the required security reference information and pricing are readily available.

## Pricing and Related Issues

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<b>Sources &amp; Frequency</b>	Index-eligible bonds are priced on a daily basis by Bloomberg’s evaluated pricing service, BVAL.
<b>Pricing Quotes</b>	Bonds are quoted as a percentage of par.
<b>Timing</b>	<ul style="list-style-type: none"><li>• 4:15 pm (London time).</li><li>• On early market closes, prices are taken as of 12.15 p.m. (London time), unless otherwise noted.</li><li>• If the last business day of the month is a UK holiday, prices from the previous business day are used.</li></ul>
<b>Bid or Offer Side</b>	<ul style="list-style-type: none"><li>• Bonds in the index are priced on the bid side. The initial price for new corporate issues entering the index is the offer side; after the first month, the bid price is used.</li><li>• Euro treasury bonds use mid prices.</li></ul>
<b>Settlement Assumptions</b>	<ul style="list-style-type: none"><li>• T+1 calendar day settlement basis. At month-end, settlement is assumed to be the first calendar day of the following month, even if the last business day is not the last day of the month, to allow for one full month of accrued interest to be calculated.</li></ul>
<b>Verification</b>	Daily price moves for each security are analyzed by the index pricing team to identify outliers. Index users may also challenge price levels, which are then reviewed and updated as needed.
<b>Calendar</b>	The December Maturity EUR Corporate ESG screened Indices follows the UK bond market holiday schedule. For month-end updates, the European calendar may also be employed in the event a holiday falls on a month-end date, but European markets remain open.

## Accessing Index Data

### Bloomberg Terminal®

Bloomberg benchmarks are the global standard for capital markets investors.

- INDE<GO> - The Bloomberg Indices dashboard page, which contains daily, monthly, and year-to-date index returns for key indices from each index family as well as a link to index publications.
- IN<GO> - The Bloomberg Index Browser displays the latest performance results and statistics for the indices as well as history. IN presents the indices that make up Bloomberg's global, multi-asset class index families into a hierarchical view, facilitating navigation and comparisons. The "My Indices" tab allows a user to focus on a set of favorite indices.
- DES<GO> - The index description page provides transparency into an individual index including membership information, aggregated characteristics and returns, and historical performance.
- INP<GO> - The Bloomberg Indices Publications page, which includes methodologies, factsheets, monthly reports, announcements and technical notes. A user may also subscribe to index publications via the "Actions" button.
- PORT<GO> - Bloomberg's Portfolio & Risk Analytics solution includes tools to analyze the risk, return, and current structure of indices. Analyze the performance of a portfolio versus a benchmark or use models for performance attribution, tracking error analysis, value-at-risk, scenario analysis, and optimization.

### Bloomberg Indices Website ([www.bloomberg.com/indices](http://www.bloomberg.com/indices))

The index website makes available limited index information including:

- Index methodology and factsheets
- Current performance numbers for select indices

### Data Distribution

Index subscribers may choose to receive index data in files. Files may include:

- Index level and/or constituent level returns and characteristics for any indices
- Automatic delivery of files via email or SFTP following the completion of the index production process after market close
- Clients may receive standard files or may customize file contents
- Index data is also available via authorized redistributors

### Index Ticker

Ticker (USD Unhedged)	Index
I37978EU	Bloomberg MSCI December 2025 Maturity EUR Corporate ESG Screened
I37615EU	Bloomberg MSCI December 2026 Maturity EUR Corporate ESG Screened
I37980EU	Bloomberg MSCI December 2027 Maturity EUR Corporate ESG Screened
I37617EU	Bloomberg MSCI December 2028 Maturity EUR Corporate ESG Screened

## Index Licensing

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- Exchange Traded Notes (ETNs)
- OTC Derivative Products
- Bond Pricing Service
- Index-Linked Insurance Products
- Custom Index Solutions
- Exchange Traded Funds (ETFs)
- Mutual Funds
- Separately Managed Accounts (SMAs)

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